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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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3622	

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Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 10/03)

	Application No.	Applicant(s)
Office Action Summary	09/818,400	MACLEAN ET AL.
	Examiner	Art Unit	
	DANIEL LASTRA	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>23 August 2006</u>.

2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-4,13,14 and 21-28* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-4,13,14 and 21-28* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All   b)☐ Some * c)☐ None of:

    1.☐ Certified copies of the priority documents have been received.

    2.☐ Certified copies of the priority documents have been received in Application No. _____.

    3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

1.   Claims 1-4, 13-14 and 21-28 have been examined. Application 09/818,400 (APPARATUS AND METHOD OF FACILITATING THE EXCHANGE OF POINTS BETWEEN SELECTED ENTITLES) has a filing date 03/27/2001.

Response to Amendment

2.   In response to Final Rejection filed 02/23/2006, the Applicant filed an Amendment on 08/23/2006, which amended claims 1-4, 13, 14 and added new claims 21-18.

Claim Objections

3.   Claim 2 is objected because it recites "(original)" when it should recites (currently amended). Claim 1 is objected because the claims filed 12/02/2005, recites "b) the first and second point issuers" where the amended claim 1 recites "the first points issuer" without a crossing line in "second point". Claim 28 is objected because it goes from step b) to step d) without having a step c).

Claim Rejections - 35 USC § 102

4.   The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) and the Intellectual Property and High Technology Technical Amendments Act of 2002 do not apply when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000. Therefore, the prior art date of the reference is determined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

Claims 1-4, 13-14 and 21-28 are rejected under 35 U.S.C. 102(e) as being anticipated by <u>Postrel</u> (U.S. 6,594,640).

As per claim 1, <u>Postrel</u> teaches:

A method of *managing a first points issuer and a second points issuer, wherein* first points are issued by the first points issuer and differ from the second points that are issued by the second points issuer, said *managing* method is implemented by a computer programmed to effect the following steps of:

(a)   the customer setting a first number of the first points to be *redeemed* (see column 4, lines 3-45; col 9, lines 1-12);

(b)   the first points issuers setting the point withdrawal *rate of the first points* and *the second point issuer setting the* deposit rate of the second points, *each of said withdrawal rate and of said deposit rate being indicative of the monetary value of each of the first points and each of the second points respectively* (see col 3, lines 32-37 "exchange rate"; col 9, lines 5-15 "conversion rate"; col 9, lines 49-55 "discount rate"). In <u>Ikeda</u>, points are exchanged from one reward entity to another at a conversion rate, where points are withdrawn from a first reward entity and are deposited into another

reward entity (*i.e.* partner or associated air carrier[1]) based upon an exchange rate[2]. Therefore, Ikeda allows points issuers who originally sold reward points in their program for use an incentive by third parties to repurchase points at a substantial discount, thereby reducing their liability and allowing for a trading strategy that enables points to continually be sold and repurchased[3].

(c)   determining *a second* number of the second points based upon the point withdrawal and *rate* of the first points issuer, *the deposit rate of the second points issuer* and the first number of the first points (see column 4, lines 3-45; column 3, lines 35-45; column 5, lines 35-40; column 6, lines 37-47; column 7, lines 35-40; column 7, lines 63-67); and

(d)   *transmitting the* second equivalent number of second points *to the second points issuer* (see column 4, lines 3-45; column 3, lines 35-45; column 5, lines 35-40; column 6, lines 37-47; column 10-12; column 15-20; column 11, line 60 – column 12, line 8). In Ikeda, when a user makes a redemption request to a reward server for available points or value, said reward server repurchased said points at a discount or withdrawal rate[4], where the value obtained from said repurchased is used to buy points from another point issuers at a conversion rate (i.e. deposit rate). Therefore, Ikeda teaches a withdrawal and a deposit rate, as Ikeda withdraws points from a first point issuer at a discount rate and uses a conversion rate to transform said points from said

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[1] Ikeda col 8, lines 27-38
[2] Ikeda col 3, 30-35
[3] Ikeda col 5, lines 60-67
[4] Ikeda col 9, lines 49-55

first point issuer to points that would be accepted (i.e. deposited) by another point issuer.

As per claim 2, <u>Postrel</u> teaches:

The method of *managing* as claimed in claim 1, wherein said step c) of determining the equivalent number of the second points comprises the substeps of:

(i) determining the monetary value of the first number of first points as the product of the first number of first points and the point withdrawal rate of the first points *issuer* (see column 9, lines 1-15; column 10, lines 15-20;). <u>Ikeda</u> teaches that a user request for redemption contains a value to be redeemed, which consists withdrawing points from one point issuer and depositing said points at another issuer using a conversion rate[5]; and

(ii)   determining the equivalent number of the second points as the quotient of the monetary value of the first number of first points divided by the point depositing rate of the second points *issuer* (see column 9, lines 10-15; column 10, lines 15-30). <u>Ikeda</u> allows issuers who originally sold reward points in their program for use as an incentive by third parties to repurchase points at a substantial discount, thereby reducing their liability and allowing for a trading strategy that enables points to continually be sold and repurchased[6]. Therefore, <u>Ikeda</u> teaches a withdrawal and a deposit rate because <u>Ikeda</u> withdraws points from a first point issuer at a discount rate and uses a conversion rate to transform said points from said first point issuer to points that would be accepted (i.e. deposited) by another point issuer.

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[5] Ikeda col 9, lines 1-15, col 8, lines 25-40

As per claim 3, <u>Postrel</u> teaches:

A system for *managing first and second points issuers,* first points are issued by a first point issuer and differ from second points that are issued by the second point issuer, said *managing* system comprising:

(a)   a first terminal having a first terminal database for storing an account of the customer's first points (see figures 4 and 5);

(b)   a second terminal having a second *terminal database* for storing an account of the customer's second points (see col 7, lines 35-40); and

(c)   a transaction center having a center input and a central computer programmed to *effect the following steps:*

(i)   the customer setting via said center input a first number of first points to be *sold* (see figure 4, item 20);

(ii)   the first point issuer setting a point withdrawal rate of the first points *and the second point issuer setting a point deposit rate of the second points, each of said withdrawal rate and said deposit rate being indicative of the monetary value of each of their first points and the monetary value of each of their second points* respectively (see column 3, lines 35-55; column 6, lines 37-67; column 7, lines 37-40; column 9, lines 10-12; column 10, lines 15-20);

(iii)   determining an equivalent number of the second points based upon the point withdrawal and rate of the first points issuer, *the point deposit rate of the second point issuer,* and the first number of the first points (see column 3, lines 35-55; column

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[6] Ikeda col 5, lines 60-67

6, lines 37-67; column 7, lines 37-40; column 9, lines 10-12; column 10, lines 15-20); and

(iv)   providing respectively to said first and second *points issuer* a first transaction message to withdraw the first number of first points from said first terminal database and to deposit the equivalent number of second points in said second terminal database (see column 3, lines 35-55; column 6, lines 37-67; column 7, lines 37-40; column 9, lines 10-12; column 10, lines 15-20).

As per claim 4, Postrel teaches:

The program managing system as claimed in claim 3, wherein said transaction center further responds to *the first transaction message* to convert the first number of first points into an equivalent second number of second points and to deposit the second number of second points in said second *terminal* database of said second terminal (see column 3, lines 35-55; column 6, lines 37-67; column 7, lines 37-40; column 9, lines 1-12; "conversion rate").

As per claim 13, Postrel teaches:

A method of *managing first and second points issuers, each of the* first point issuer *issuing first points and the* second point issuer *issuing second points* at exchange rates set by the first and second point issuers respectively, said points exchanging method is implemented by a computer programmed to effect the following steps of

(a)   entering first and second exchange rates by the first and second point issuers respectively (see column 3, line 35 – column 4, line 45; column 6, lines 35-67;

column 10, lines 15-20; col 11, lines 25-30 "parameters to restrict the offer, such as exchange rate");

(b)   entering a customer's *request* for *buying* first points *and selling* second points (see column 8, line 65 – col 9, line 20);

(c)   determining the presence or absence of each of the first and second exchange rates (see column 4, lines 1-45; col 9, lines 1-15 "processor of the reward server may perform actions that may allow or refuse the requested action"); and

(d)   blocking the exchange of points in the absence of either of the first or second exchange rates (see column 4, lines 1-45; column 9, lines 5-7). In Ikeda, if there is not a conversion rate, there can be not exchanged between points of different points issuers.

As per claim 14, Postrel teaches:

A system for *managing a loyalty points program* at an exchange rate set by a proprietor of the point program, said system comprising:

(a)   at least one terminal associated with the points program and comprising a terminal input, a terminal database and a terminal server programmed *at least in part* to *effect the following effects*:

(i)   respond to a customer *request* to withdraw from and/or deposit points into said one terminal (se column 6, lines 1-52),

(ii)   a point program proprietor entering and storing in said terminal database of exchange rates for the points of the loyalty *points* program (see column 6, lines 1-52); and

(iii)   detect the absence of the exchange rates for the *points* program to transmit a blocking signal (see column 4, lines 1-45; col 3, lines 32-37). In <u>Ikeda</u> an exchange rate is established for the relative consideration received by the companies involved in the transaction, therefore, if there is not exchange rate or conversion rate, there is not a exchange between points.

(b)   a transaction center coupled by a data transmission path to said one terminal and comprising a center input and a center server programmed to *effect the following steps*:

(i)   respond to a customer *request* on said center input for transmitting via the data transmission path to said one terminal the *customer request* whereby points are withdrawn and/or deposited into the *loyalty* point program associated with said one terminal (see column 6, lines 1-55); and

(ii)   respond to the blocking signal to prevent the transmission of the *customer request* (see column 4, lines 1-45; col 9, lines 1-10; "processor of the reward server may perform actions that may allow or refuse the requested action"[7]).

Claim 21, <u>Postrel</u> teaches:

A method of managing a first points issuer and a second points issuer, wherein first points are issued by the first points issuer, and second points are issued by the second points issuer and differ from the first points, said managing method is implemented at least in part by a computer programmed to effect the following steps of

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[7] Ikeda col 9, lines 1-7

a) a customer setting a first number of the first points to be sold (see col 9, lines 1-15);

b) the first points issuer setting its point withdrawal rate of the first points and the second point issuer setting its deposit rate of the second points to reflect respectively the monetary value of each of the first and second points in a common currency (see col 3, lines 32-37 "exchange rate"; col 9, lines 5-15 "conversion rate"; col 9, lines 49-55 "discount rate"). In <u>Ikeda</u>, points are exchanged from one reward entity to another at a conversion rate, where points are withdrawn from a first reward entity and are deposited into another reward entity (*i.e.* partner or associated air carrier[8]) based upon an exchange rate[9]. Therefore, <u>Ikeda</u> allows points issuers who originally sold reward points in their program for use an incentive by third parties to repurchase points at a substantial discount, thereby reducing their liability and allowing for a trading strategy that enables points to continually be sold and repurchased[10];

c) transmitting the common currency of determined monetary value to the second points issuer (see col 7, lines 35-40);

d) determining the monetary value of the common currency transmitted from the first points issuer to the second points issuer as a function of the point withdrawal rate of the first points and the set first number of first points to be sold (see col 3, lines 30-40); and

e) determining the number of second points to be deposited with the second points issuer as a function of the monetary value the transmitted common currency and

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[8] Ikeda col 8, lines 27-38

the deposit rate of the second points issuer (see col 9, lines 1-10). In <u>Ikeda</u>, when a user makes a redemption request to a reward server for available points or value, said reward server repurchased said points at a discount or withdrawal rate[11] and the user uses the value obtained from said repurchased to buy points from another point issuer at a conversion rate. Therefore, <u>Ikeda</u> teaches a withdrawal and a deposit rate because <u>Ikeda</u> withdraws points at a discount rate from one point issuer and uses a conversion rate to transform said points to points that would be accepted (i.e. deposited) by another point issuer.

Claim 22, <u>Postrel</u> teaches:

The method of managing as claimed in claim 21, wherein the first points issuer has a first database for storing an account of the customer's first points; and a second points issuer has a second database for storing an account of the customer's second points (see col 7, lines 35-40; figure 4, item 52).

Claim 23, <u>Postrel</u> teaches:

The method of managing as claimed in claim 22, wherein said method further comprises the step of depositing the determined number of second points in to the second database (see col 7, lines 35-42; col 11, line 60 – col 12, line 5).

Claim 24, <u>Postrel</u> teaches:

The method of using a monetary currency to redeem first points of a first loyalty point program and to purchase second points of a second loyalty program, the first loyalty point program comprises a first issuer of the first loyalty points, the second

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[9] Ikeda col 3, 30-35

loyalty program comprises a second issuer of the second loyalty points, at least one of

the first loyalty points differing from the second loyalty points, the monetary currency

using method is implemented at least in part by a computer programmed to effect the

following steps of

     a) the first and second issuers respectively setting a first withdrawal rate for the

first loyalty point program and a second deposit rate for the second loyalty point

program In <u>Ikeda</u>, points are exchanged from one reward entity to another at a

conversion rate, where points are withdrawn from a first reward entity and are deposit

into another reward entity (*i.e.* partner or associated air carrier[12]) based upon an

exchange rate[13]. Therefore, <u>Ikeda</u> allows points issuers who originally sold reward

points in their program for use an incentive by third parties to repurchase points at a

substantial discount, thereby reducing their liability and allowing for a trading strategy

that enables points to continually be sold and repurchased[14];

     b) a member of the first loyalty program setting a first number of the first points to

be redeemed (see col 9, lines 1-10);

     c) determining as a function of the first number of the first points and the first

withdrawal rate, the monetary value of the first number of the first points as a

determined amount of the monetary currency (see col 9, lines 1-10; "conversion rate";

and

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[10] Ikeda col 5, lines 60-67
[11] Ikeda col 9, lines 49-55
[12] Ikeda col 8, lines 27-38
[13] Ikeda col 3, 30-35
[14] Ikeda col 5, lines 60-67

d) determining a second number of the second points to be purchased as a

function of the determined amount of monetary currency and the second deposit rate

Ikeda allows issuers who originally sold reward points in their program for use as an

incentive by third parties to repurchase points at a substantial discount, thereby

reducing their liability and allowing for a trading strategy that enables points to

continually be sold and repurchased[15].

Claim 25, Postrel teaches:

The method of managing as claimed in claim 24, wherein each of the first and

second loyalty programs has a plurality of corresponding members and comprises a

database, each database with a plurality of corresponding files, each file for storing the

loyalty points that were accumulated by the corresponding member of its loyalty

program (see col 5, lines 35-50).

Claim 26, Postrel teaches:

The method of managing as claimed in claim 25 wherein step b) transmits

currency to the file of the corresponding member of the second loyalty program (see col

7, lines 35-40).

Claim 27, Postrel teaches:

The method of managing as claimed in claim 26, wherein there is further

included a step of providing an interface to implement step c) of determining the value

of the number of the first points and step d) for determining the number of second

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[15] Ikeda col 5, lines 60-67

points, the interface operating independently the first and second point issuers (see col 8, lines 25-40).

Claim 28, <u>Postrel</u> teaches:

The method of using a common monetary currency to manage a plurality of loyalty point programs, each loyalty program comprises a loyalty points issuer, at least one of the plurality of loyalty points issuers issuing first points, at least another of the plurality of loyalty points issuer issuing second points that differ from the first points, the monetary currency using method is implemented at least in part by a computer programmed to effect the following steps of

a) each of the plurality of points issuers setting a withdrawal rate and a deposit rate for its loyalty program (see col 9, lines 1-20);

b) a member of a related loyalty program setting a first number of the its loyalty points to be redeemed (see col 9, lines 1-10);

d) determining as a function of the set number of loyalty points and the deposit rate of the related loyalty program, the monetary value of the set number of points as a determined amount of the monetary currency(see col 3, lines 32-37 "exchange rate"; col 9, lines 5-15 "conversion rate"; col 9, lines 49-55 "discount rate"). In <u>Ikeda</u>, points are exchanged from one reward entity to another at a conversion rate, where points are withdrawn from a first reward entity and are deposit into another reward entity (*i.e.* partner or associated air carrier[16]) based upon an exchange rate[17]. Therefore, allows points issuers who originally sold reward points in their program for use an incentive by

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[16] Ikeda col 8, lines 27-38

third parties to repurchase points at a substantial discount, thereby reducing their liability and allowing for a trading strategy that enables points to continually be sold and repurchased[18]; and

e) determining a second number of points to be purchased as a function of the determined amount of monetary currency and the deposit rate of the related loyalty program (see col 9, lines 1-20). In Ikeda, when a user makes a redemption request to a reward server for available points or value, said reward server repurchased said points at a discount or withdrawal rate[19] and the user use the value obtained from said repurchased to buy points from another point issuer at a conversion rate. Therefore, Ikeda teaches a withdrawal and a deposit rate, where points are withdrawn from a user's reward account at a discount rate and are converted and deposited into another point issuer account at a conversion rate.

Claim Rejections - 35 USC § 102

5.   The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

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[17] Ikeda col 3, 30-35
[18] Ikeda col 5, lines 60-67
[19] Ikeda col 9, lines 49-55

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) and the Intellectual Property and High Technology Technical Amendments Act of 2002 do not apply when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000. Therefore, the prior art date of the reference is determined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

Claims 1-4, 13-14 and 21-28 are rejected under 35 U.S.C. 102(e) as being anticipated by Lee (US 2001/0054006).

As per claim 1, Lee teaches:

A method of *managing a first points issuer and a second points issuer, wherein* first points are issued by the first points issuer and differ from the second points that are issued by the second points issuer, said *managing* method is implemented by a computer programmed to effect the following steps of:

(a)   the customer setting a first number of the first points to be *redeemed* (see figures 4 and 5);

(b)   the first points issuers setting the point withdrawal *rate of the first points* and *the second point issuer setting the* deposit rate of the second points, *each of said withdrawal rate and of said deposit rate being indicative of the monetary value of each of the first points and each of the second points respectively* (see figures 4 and 5);

(c)   determining *a second* number of the second points based upon the point withdrawal and *rate* of the first points issuer, *the deposit rate of the second points issuer* and the first number of the first points (see figures 4 and 5); and

(d)   *transmitting the* second equivalent number of second points *to the second points issuer* (see figures 4 and 5).

As per claim 2, Lee teaches:

The method of *managing* as claimed in claim 1, wherein said step c) of determining the equivalent number of the second points comprises the substeps of:

(i) determining the monetary value of the first number of first points as the product of the first number of first points and the point withdrawal rate of the first points *issuer* (see figures 4 and 5); and

(ii)   determining the equivalent number of the second points as the quotient of the monetary value of the first number of first points divided by the point depositing rate of the second points *issuer* (see figures 4 and 5).

As per claim 3, Lee teaches:

A system for *managing first and second points issuers,* first points are issued by a first point issuer and differ from second points that are issued by the second point issuer, said *managing* system comprising:

(a)   a first terminal having a first terminal database for storing an account of the customer's first points (see figures 4 and 5);

(b)   a second terminal having a second *terminal database* for storing an account of the customer's second points (see figures 4 and 5); and

(c)   a transaction center having a center input and a central computer programmed to *effect the following steps*:

(i)   the customer setting via said center input a first number of first points to be *sold* (see figures 4 and 5);

(ii)   the first point issuer setting a point withdrawal rate of the first points *and the second point issuer setting a point deposit rate of the second points, each of said withdrawal rate and said deposit rate being indicative of the monetary value of each of their first points and the monetary value of each of their second points* respectively (see figures 4 and 5);

(iii)   determining an equivalent number of the second points based upon the point withdrawal and rate of the first points issuer, *the point deposit rate of the second point issuer*, and the first number of the first points (see figures 4 and 5) and

(iv)   providing respectively to said first and second *points issuer* a first transaction message to withdraw the first number of first points from said first terminal database and to deposit the equivalent number of second points in said second terminal database (see figures 4 and 5).

As per claim 4, <u>Lee</u> teaches:

The program managing system as claimed in claim 3, wherein said transaction center further responds to *the first transaction message* to convert the first number of first points into an equivalent second number of second points and to deposit the second number of second points in said second *terminal* database of said second terminal (see figures 4 and 5).

As per claim 13, <u>Lee</u> teaches:

A method of *managing first and second points issuers, each of the* first point

issuer *issuing first points and the* second point issuer *issuing second points* at exchange

rates set by the first and second point issuers respectively, said points exchanging

method is implemented by a computer programmed to effect the following steps of

(a)   entering first and second exchange rates by the first and second point

issuers respectively (see figures 4 and 5);

(b)   entering a customer's *request* for *buying* first points *and selling* second

points (see figures 4 and 5);

(c)   determining the presence or absence of each of the first and second

exchange rates (see figures 4 and 5); and

(d)   blocking the exchange of points in the absence of either of the first or

second exchange rates (see figures 4 and 5).

As per claim 14, Lee teaches:

A system for *managing a loyalty points program* at an exchange rate set by a

proprietor of the point program, said system comprising:

(a)   at least one terminal associated with the points program and comprising a

terminal input, a terminal database and a terminal server programmed *at least in part* to

effect the following effects:

(i)   respond to a customer *request* to withdraw from and/or deposit points into

said one terminal (see figures 4 and 5),

(ii)   a point program proprietor entering and storing in said terminal database

of exchange rates for the points of the loyalty *points* program (see figures 4 and 5); and

(iii)   detect the absence of the exchange rates for the *points* program to

transmit a blocking signal (see figures 4 and 5); and

(b)   a transaction center coupled by a data transmission path to said one

terminal and comprising a center input and a center server programmed to *effect the*

following steps:

(i)   respond to a customer *request* on said center input for transmitting via the

data transmission path to said one terminal the *customer request* whereby points are

withdrawn and/or deposited into the *loyalty* point program associated with said one

terminal (see figures 4 and 5); and

(ii)   respond to the blocking signal to prevent the transmission of the *customer*

request (see figures 4 and 5).

Claim 21, Lee teaches:

A method of managing a first points issuer and a second points issuer, wherein

first points are issued by the first points issuer, and second points are issued by the

second points issuer and differ from the first points, said managing method is

implemented at least in part by a computer programmed to effect the following steps of

a) a customer setting a first number of the first points to be sold (see figures 4

and 5 ;

b) the first points issuer setting its point withdrawal rate of the first points and the

second point issuer setting its deposit rate of the second points to reflect respectively

the monetary value of each of the first and second points in a common currency (figures

4 and 5);

c) transmitting the common currency of determined monetary value to the second

points issuer (see figures 4 and 5);

d) determining the monetary value of the common currency transmitted from the

first points issuer to the second points issuer as a function of the point withdrawal rate of

the first points and the set first number of first points to be sold (see figures 4 and 5);

and

e) determining the number of second points to be deposited with the second

points issuer as a function of the monetary value the transmitted common currency and

the deposit rate of the second points issuer (see figures 4 and 5).

Claim 22, Lee teaches:

The method of managing as claimed in claim 21, wherein the first points issuer

has a first database for storing an account of the customer's first points; and a second

points issuer has a second database for storing an account of the customer's second

points (see figures 4 and 5).

Claim 23, Lee teaches:

The method of managing as claimed in claim 22, wherein said method further

comprises the step of depositing the determined number of second points in to the

second database (see figures 4 and 5).

Claim 24, Lee teaches:

The method of using a monetary currency to redeem first points of a first loyalty

point program and to purchase second points of a second loyalty program, the first

loyalty point program comprises a first issuer of the first loyalty points, the second

loyalty program comprises a second issuer of the second loyalty points, at least one of the first loyalty points differing from the second loyalty points, the monetary currency using method is implemented at least in part by a computer programmed to effect the following steps of

a) the first and second issuers respectively setting a first withdrawal rate for the first loyalty point program and a second deposit rate for the second loyalty point program (see figures 4 and 5);

b) a member of the first loyalty program setting a first number of the first points to be redeemed (see figures 4 and 5);

c) determining as a function of the first number of the first points and the first withdrawal rate, the monetary value of the first number of the first points as a determined amount of the monetary currency (see figures 4 and 5); and

d) determining a second number of the second points to be purchased as a function of the determined amount of monetary currency and the second deposit rate (see figures 4 and 5).

Claim 25, Lee teaches:

The method of managing as claimed in claim 24, wherein each of the first and second loyalty programs has a plurality of corresponding members and comprises a database, each database with a plurality of corresponding files, each file for storing the loyalty points that were accumulated by the corresponding member of its loyalty program (see figures 4 and 5).

Claim 26, Lee teaches:

The method of managing as claimed in claim 25. wherein step b) transmits currency to the file of the corresponding member of the second loyalty program (see figures 4 and 5).

Claim 27, Lee teaches:

The method of managing as claimed in claim 26, wherein there is further included a step of providing an interface to implement step c) of determining the value of the number of the first points and step d) for determining the number of second points, the interface operating independently the first and second point issuers (see figures 4 and 5).

Claim 28, Lee teaches:

The method of using a common monetary currency to manage a plurality of loyalty point programs, each loyalty program comprises a loyalty points issuer, at least one of the plurality of loyalty points issuers issuing first points, at least another of the plurality of loyalty points issuer issuing second points that differ from the first points, the monetary currency using method is implemented at least in part by a computer programmed to effect the following steps of

a) each of the plurality of points issuers setting a withdrawal rate and a deposit rate for its loyalty program (see figures 4 and 5);

b) a member of a related loyalty program setting a first number of the its loyalty points to be redeemed (see figures 4 and 5).

d) determining as a function of the set number of loyalty points and the deposit

rate of the related loyalty program, the monetary value of the set number of points as a

determined amount of the monetary currency (see figures 4 and 5); and

e) determining a second number of points to be purchased as a function of the

determined amount of monetary currency and the deposit rate of the related loyalty

program (see figures 4 and 5).

Response to Arguments

6.   Applicant's arguments filed 08/23/2006 have been fully considered but they are

not persuasive. The Applicant argues that <u>Postrel</u> does not teach withdrawal and

depositing rates. The Applicant further argues that his claimed invention uses two

exchange rates and <u>Postrel</u> uses a single exchange rate. The Examiner answers that in

<u>Ikeda</u>, points are exchanged from one reward entity to another at a conversion rate,

where points are withdrawn from a first reward entity and are transferred or deposited[20]

into another reward entity (*i.e.* partner or associated air carrier[21]) using an exchange

rate[22]. <u>Ikeda</u> allows points issuers who originally sold reward points in their program for

use an incentive by third parties to repurchase points at a substantial discount, thereby

reducing their liability and allowing for a trading strategy that enables points to

continually be sold and repurchased[23]. Therefore, when in <u>Ikeda</u> a user makes a

redemption request to a reward server for available points or value, said reward server

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[20] Ikeda col 7, lines 35-42
[21] Ikeda col 8, lines 27-38
[22] Ikeda col 3, 30-35
[23] Ikeda col 5, lines 60-67

repurchased said points at a discount or withdrawal rate[24], where the value obtained

from said repurchased is used to buy points from another point issuers at a conversion

rate (i.e. deposit rate). Therefore, Ikeda teaches a withdrawal and a deposit rate, as

Ikeda withdraws points from a first point issuer at a discount rate and uses a conversion

rate to transform said points from said first point issuer to points that would be accepted

(i.e. deposited) by another point issuer.

The Applicant argues that Postrel does not teach at least two issuers may set the

price of its respective withdrawal rates and deposit rates. The Examiner answers that

Ikeda teaches allowing issuers of reward points to take point off the book and eliminate

them, if desired at a discount rate[25], an exchange rate will be established for the relative

consideration received by the companies involved in the transaction[26] and the reward

server may refuse a redemption request[27]. Therefore, in Ikeda the points issuers

indicate the consideration of the exchange rate that would accepted to perform a

conversion from one point value to another.

Conclusion

7.   The prior art made of record and not relied upon is considered pertinent to

applicant's disclosure:

- E-cash lays the foundations for private corporate currency creation (Dialog: file

    15; 01324975) teaches exchanging points.

- Boyd teaches trading points at an exchange rate (see paragraphs 403-406).

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[24] Ikeda col 9, lines 49-55
[25] Ikeda col 9, lines 50-55
[26] Ikeda col 3, lines 30-40
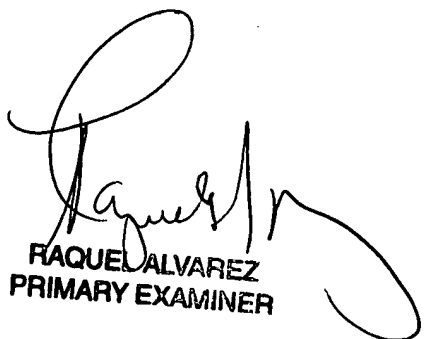[27] Ikeda col 9, lines 1-10

Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL LASTRA whose telephone number is 571-272-6720. The examiner can normally be reached on 9:30-6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, ERIC W STAMBER can be reached on 571-272-6724. The Examiner's Right Fax number is 571-273-6720.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Daniel Lastra
October 25, 2006

RAQUEL ALVAREZ
PRIMARY EXAMINER